

EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

MEMBERSELECT INSURANCE)	
COMPANY a/s/o CHRIS LOIOTILE)	
and RENATA LOIOTILE)	
)	
Plaintiff,)	
)	
Vs.)	No: 13-cv-4097
)	Honorable Marvin E. Aspen
ELECTROLUX HOME PRODUCTS, INC.)	
and SEARS HOLDING CORPORATION)	
)	
Defendant.)	

SEARS' CROSSCLAIM AGAINST ELECTROLUX

Defendant/Cross-Plaintiff, SEARS, ROEBUCK AND CO. (“Sears”), incorrectly sued as Sears Holding Corporation, by and through its counsel, James P. Balog and Heather L. Keil, files this Crossclaim for breach of contract against Defendant/Cross-Defendant ELECTROLUX HOME PRODUCTS, INC. (“Electrolux”), pursuant to Fed. R. Civ. P. 13(e) and 13(g), and in support thereof, states as follows:

COUNT I
BREACH OF CONTRACT – FAILURE TO DEFEND AND INDEMNIFY

1. On June 3, 2013, Plaintiff Memberselect Insurance a/s/o Chris and Renata Loiotile (“Plaintiff”) filed its four-count Complaint at Law against Defendants Electrolux and Sears. (Doc. 1). Then, on July 9, 2013, Plaintiff filed its five-count Amended Complaint against Electrolux and Sears. (Doc. 19).

2. Defendant Sears filed its Answer and Affirmative Defenses to Plaintiff's First Amended Complaint on September 26, 2013, denying all material allegations of fault set forth against it. (Doc. 35).

3. At all times relevant hereto, Sears and Electrolux were subject to the March 19, 2002 Universal Terms and Conditions ("UTC"), as it relates to the supply and sale of Electrolux manufactured merchandise to Sears, which includes the subject Kenmore dryer. *See* the UTC, previously filed under seal as Doc 112-1, and made a part hereof.

4. At all times relevant hereto, Sears performed its obligations under the UTC.
5. The UTC provides, in relevant part:

11. Defense of Claims. *Seller shall, at its own cost and expense, defend Sears [...] from and against all allegations [...] asserted in any claim, action, lawsuit or proceeding between any Indemnified Party and any third party arising out of any of the following [...], whether actual or alleged and whether or not Seller's Indemnity and Contribution Obligations (as defined below) shall apply: [...] (b) death or injury to any person, damage to any property, or any other damage or loss [...] resulting or claimed to result in whole or in part from any actual or alleged defect in Merchandise whether latent or patent, including actual or alleged improper construction, installation, repair or design of Merchandise, or actual or alleged failure of Merchandise to comply with any specifications or samples or with any express or implied warranties of Seller, or any claim of strict liability in tort relating to any Merchandise; [...] (d) defect involving the packaging, tagging, labeling, packing, shipping and/or invoicing of Merchandise; (e) failure to warn or inadequate warnings and/or instructions; or (f) display, assembly or installation of Merchandise.*

12. Indemnification and Contribution. *Seller shall hold harmless and indemnify the Indemnified Parties from and against any and all claims, demands, actions, lawsuits, proceedings, liabilities, losses, costs, and expenses (including reasonable attorneys' fees and disbursements and costs of investigation) incurred by any of the Indemnified Parties in any claim, demand, action, lawsuit, or proceeding between Seller and any Indemnified Party or between any Indemnified Party and any third party or otherwise arising out of any Claims, including but not limited to claims of negligent acts*

or omissions by any Indemnified Party. In any case to which the Seller's Indemnity obligation set forth in the preceding sentence is not enforceable under applicable law and in which either (a) any Indemnified Party or (b) Seller is found to be liable to a third party with respect to Merchandise, then Sears and Seller shall each contribute to the payment of any judgment awarded in favor of such third party in proportion to the comparative degree of culpability.

Doc 112-1 (emphasis added).

6. Pursuant to the Indemnification provision in the aforementioned UTC, Sears tendered its defense and made a demand for indemnification to Electrolux. *See* Sears' correspondence to Electrolux, attached as Group Exhibit A, excluding attachments (this includes the April 14, 2010 tender letter from Sedgwick to Electrolux, the June 26, 2013 tender letter from Sears' defense counsel to Electrolux (without enclosures), the July 3, 2013 tender letter from defense counsel to Electrolux's legal department (without enclosures), the July 15, 2013 tender letter from Sears' defense counsel to Electrolux's Vice President, Sears Sales (without enclosures).

7. On June 7, 2010, Electrolux acknowledge receipt of Sedgwick's April 14, 2010 tender letter on behalf of Sears and advised that "[w]e [Electrolux] will be investigating this claim under a Reservation of Rights [...]." *See* Electrolux's June 7, 2010 correspondence, attached as Exhibit B.

8. On July 9, 2013, Electrolux Associate General Counsel Howard Edward Buckles acknowledge receipt of the June 26, 2013 tender letter from Sears' counsel, advising that, "*Electrolux will defend and indemnify Sears for all the product specific allegations, however because of the service and installation issues Electrolux can not, at this time, accept the complete defense and indemnification of Sears.*" *See* Electrolux's July 9, 2013 email response, attached as Exhibit C (emphasis added).

9. Sears sought additional clarification from Electrolux regarding its response in order to ensure that Electrolux had accepted Sears' tender under a reservation of rights. *See* Sears' correspondence to Electrolux, attached as Group Exhibit D (this includes the July 9, 2013 email, the August 5, 2013 email, and the March 7, 2014 letter).

10. Then, on March 7, 2014, Electrolux's Ed Buckles responded to Sears' counsel that “[t]o the degree that Sears is included in the allegations of the design, manufacture or sale of the dryer itself, Electrolux and its counsel will defend and hold Sears harmless.” *See* Electrolux's March 7, 2014 email correspondence, attached as Exhibit E.

11. Then, while Electrolux reimbursed Sears for a single invoice on February 27, 2014, Electrolux has since failed to reimburse Sears for its attorney's fees and costs incurred in defending this matter and has failed to provide Sears a defense.

12. Further, in subsequent correspondence from Electrolux's counsel, Electrolux took the position that Electrolux never accepted Sears' tender of its defense, even where there are product liability allegations against both Electrolux and Sears.

13. Therefore, despite the terms of the UTC and despite Electrolux's correspondence accepting Sears' tender under reservation of rights, Electrolux has since failed to reimburse Sears for its attorney's fees and costs in this matter and has taken the position that it never accepted Sears' tender under reservation of rights.

14. The failure of Electrolux to defend and indemnify Sears in this action constitutes a breach of the aforementioned UTC.

15. Due to Electrolux's breach of its contractual obligations to defend and indemnify Sears in this action, Sears has incurred attorney's fees and costs in its defense of Plaintiff's lawsuit, which Sears would not have incurred had Electrolux fulfilled its contractual obligations.

WHEREFORE, Defendant/Cross-Plaintiff SEARS, ROEBUCK AND CO. demands judgment against Defendant/Cross-Defendant ELECTROLUX HOME PRODUCTS, INC. for all sums allowable by law, including, but not limited to any cost, expenses, judgments, settlements, attorney's fees, or any other figure, including post-judgment interest or debts that Defendant/Cross-Plaintiff SEARS, ROEBUCK AND CO. has incurred or will incur defending this action brought by Plaintiff or in prosecuting this Crossclaim against Defendant/Cross-Defendant ELECTROLUX HOME PRODUCTS, INC.

COUNT II
BREACH OF CONTRACT – FAILURE TO PROCURE INSURANCE

1-5. Paragraphs 1-5 of Count I are repeated and re-alleged as and for Paragraphs 1-5 of Count II, as if fully stated herein.

5. The UTC also provides in pertinent part:

13. Insurance. Seller shall obtain and maintain, at its expense, a policy or policies of Commercial General Liability Insurance covering liabilities relating to Merchandise, including products and completed operations, with a broad form Vendor's Endorsement naming Sears, in such amounts and with such companies and containing such other provisions satisfactory to Sears. All such policies shall provide that the coverage thereunder shall not be terminated without at least thirty (30) days prior written notice to Sears. [...] Approval of any of Seller's insurance policies by Sears shall not relieve Seller of any obligations contained herein, including Seller's Defense and Indemnity and Contribution Obligations set forth above, even for claims in excess of Seller's policy limits.

Doc 112-1 (emphasis added).

6. Electrolux failed to procure proper product liability insurance with a broad form Vendor's Endorsement naming Sears. This failure by Electrolux constitutes a breach of the aforementioned UTC.

7. Due to Electrolux's breach of its contractual obligations to procure appropriate insurance, Sears has incurred attorney's fees and costs in its defense of Plaintiff's lawsuit, which Sears would not have incurred had Electrolux fulfilled its contractual obligations.

WHEREFORE, Defendant/Cross-Plaintiff SEARS, ROEBUCK AND CO. demands judgment against Defendant/Cross-Defendant ELECTROLUX HOME PRODUCTS, INC. for all sums allowable by law, including, but not limited to any cost, expenses, judgments, settlements, attorneys' fees, or any other figure, including post-judgment interest or debts that Defendant/Cross-Plaintiff SEARS, ROEBUCK AND CO. has incurred or will incur defending this action brought by Plaintiff or in prosecuting this Crossclaim against Defendant/Cross-Defendant ELECTROLUX HOME PRODUCTS, INC.

Dated: December 11, 2015

Respectfully submitted,

By: /s/ James P. Balog

James P. Balog (#6185185)
Heather L. Keil (#6298466)
O'Hagan, LLC
One East Wacker Drive, Suite 3400
Chicago, Illinois 60601
312.422.6100 – Phone
312.422.6110 – Fax
jbalog@ohaganlaw.com
hkeil@ohaganlaw.com

Counsel for Sears, Roebuck and Co.

CERTIFICATE OF SERVICE

I, the undersigned attorney, hereby certify that on December 11, 2015, pursuant to Fed. R. Civ. P. 5(b)(3) and Northern District of Illinois LR 5.9, I electronically filed the Defendant Sears' Crossclaim for breach of contract against Electrolux with the Clerk of the Court using the CM/ECF system which sent notification of such filing to counsel below:

Counsel for Plaintiff

Jennifer H Tedesco
Gibson & Sharps
1443 20th Street
Suite F
Vero Beach, FL 32960
(800) 759-0964
jht@gibsonsharps.com

Brian Thomas Bailey
Gibson & Sharps PSC
745 McClintock Drive
Suite 240
Burr Ridge, IL 60527
630.986.5050
630.986.5051 (fax)
btb@gibsonsharps.com

Counsel for Electrolux

Rebecca M. Biernat
Tucker Ellis LLP
1 Market Plaza
Steuart Tower, Suite 700
San Francisco, CA 94105
415.617.2223
415.617.2409
rebecca.biernat@tuckerellis.com

Michael Leonard
Ethan White
Leonard Meyer LLP
203 N. LaSalle, Suite 1620
Chicago, IL 60601
312.380.6559 (Michael Leonard)
312.380.6634 (Ethan White)
mleonard@leonardmeyerllp.com
ewhite@leonardmeyerllp.com

Dated: December 11, 2015

By: /s/ James P. Balog
Attorney for Defendant
Sears, Roebuck and Co.

James P. Balog (#6185185)
O'Hagan, LLC
One East Wacker Drive, Suite 3400
Chicago, Illinois 60601
312-422-6100 – Phone
312-422-6110 – Fax
hkeil@ohaganlaw.com

04/14/2010 11:27:57 AM

SEDGWICK CMS

PAGE 1 OF 4

Sedgwick Claims Management Services, Inc.

To: Todd Rader
Fax Number: 3094541571

From: Nguyen, Jacqueline
Fax Number:

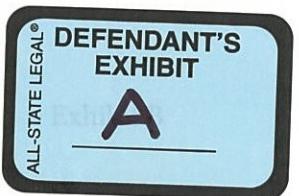
Date: April 14, 2010
Subject: B018321572---Renata and Cristoforo Loiotile

Memo:

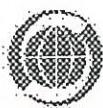
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Sedgwick CMS

Sedgwick Claims Management Services, Inc.

PO Box 14448 Lexington KY 40512-4448

Phone: 847-645-0696 Fax: 866-876-7050

April 14, 2010

Electrolux North America Inc.

Attn: Helen Haney

20445 Emerald Parkway SW

Suite 250

Cleveland, OH 44135

Via Fax: 216 898 2337

Re: Claimant: Renata and Cristoforo Loiotile
Date of Loss: 3/24/2010
Claim Number: B018321572
Product: Kenmore Dryer
Model Number: 41793142201
Serial Number: XD32507814
Unit/Store Number: 1172
Their Claim #: IL 5360374

Dear Claims Dept.,

Be advised that Sedgwick Claims Management Services is the claims administrator for Sears, Roebuck and Co. In that capacity, we have received notice of a claim brought by the above-referenced claimant. The purpose of this letter is to place you on notice of this claim, and to demand that you defend, indemnify and hold our Client harmless with respect to this loss.

The claimant(s) allege(s) that on the date noted, he/she/they suffered damage as a result of the use of your product. Specifically, it is claimed that the Kenmore malfunctioned causing a fire. The product is a Kenmore Dryer, Model #41793142201.

The claimant information is as follows:

04/14/2010 11:27:57 AM

SEDGWICK CMS

PAGE 4 OF 4

- Page 2

Name Renata Loiotile
Street Address 1325 W. Mulloy Drive
City, State Zip Addison, IL 60101
Telephone: Unknown

April 14, 2010

Please protect the interests of our Client by referring this claim to your claims department or insurance carrier for continued handling. We ask that you acknowledge receipt of this tender in writing by signing below and returning the signed acknowledgement to my attention. Also, please provide me with the name, address and telephone number of your claims person or insurance carrier who will be handling this loss. In the event a settlement is reached in this matter, please be sure to protect the interests of our Client by specifically naming them on the Release as described above.

If we do not receive a response within 30 days, your silence will be considered a denial of our request for indemnification, and we reserve the right to resolve the claim with the customer and then pursue you for reimbursement of the full amount of any settlement or expenses incurred. Also be further advised that, even though you may refer this matter to your insurance carrier, you have the primary obligation to our Client, and we will look to you should your carrier fail to fully indemnify and hold our Client harmless for this loss.

Feel free to contact me if you have any questions. I look forward to your response in this matter.

Sincerely,

Jacqueline Nguyen
Claims Examiner

CC: AAA

Atn: Todd Rader
975 Meridian Lake Dr.
Aurora, IL 60504-4904
PH: 309 452 8192

Via Fax: 309 454 1571

NOTE: Notice of claim was sent to our attention. No supporting documents received in our office. **AAA has planned to schedule scene exam on 4/15/2010.**

O HAGAN LLC

Heather E. Shea
Direct No: 312-422-6165
Fax No: 312-422-6110
E-mail: hshea@ohaganlaw.com

June 26, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ed Buckles
Electrolux North America, Inc.
14120 Patch Rd.
Burton, OH 44021

Re: Chris Loiotile and Renata Loiotile a/s/o Memberselect Insurance Co.
v. Electrolux Home Products, Inc., et al;
Court No.: 1:13-cv-4097
Our File No.: 22819-HES

Dear Sir/Madam:

Please be advised that this law firm has been retained by Sears, Roebuck and Co. to defend it in the litigation titled, Chris Loiotile and Renata Loiotile a/s/o Memberselect Insurance Co. v. Electrolux Home Products, Inc.; and Sears Holding Corporation, case number 1:13-cv-4097, pending in United States District Court, Northern District of Illinois, Eastern Division. I am enclosing a copy of Plaintiff's Complaint with this correspondence for your reference. The suit arises out of a fire on March 24, 2010, allegedly involving a Kenmore brand gas clothes dryer, designed and manufactured by Electrolux Home Products, Inc.

Pursuant to the Supply Agreement dated June 29, 2004, and the Universal Terms and Conditions dated March 19, 2002, between Sears, Roebuck and Co., and Electrolux Home Products, Inc., these agreements provide that Electrolux Home Products, Inc., will defend and indemnify Sears for the alleged incident which is the subject of this litigation. Specifically, the Universal Terms and Conditions which was incorporated into the Supply and Vendor Agreement dated June 29, 2004, Paragraphs 11 and 12 provide as follows:

Electrolux Home Products, Inc.

June 26, 2013

Page 2

11. Defense of Claims. Seller shall, at its own cost and expense, defend Sears ... from and against all allegations ... asserted in any claim, action, lawsuit or proceeding between any Indemnified Party and any third party arising out of any of the following...
(b) death or injury to any person, damage to any property, or any other damage or loss ... resulting or claimed to result in whole or in part from any actual or alleged defect in Merchandise ... (d) defect involving the packaging, tagging, labeling, packing, shipping and/or invoicing of Merchandise; (e) failure to warn or inadequate warnings and/or instructions; or (f) display, assembly or installation of Merchandise.

12. Indemnification and Contribution. Seller shall hold harmless and indemnify the Indemnified Parties from and against any and all claims, demands, actions, lawsuits ... incurred by any of the Indemnified Parties in any claim, demand, action, lawsuit ... arising out of any Claims.

Finally, Paragraph 13 of the Vendor Agreement and Universal Terms and Conditions provides that Electrolux Home Products, Inc. will make Sears an additional insured of the insurance policy.

I have provided copies of the Vendor Supply Agreement dated June 29, 2004, the Amendments to the Vendor Supply Agreement, and the Universal Terms and Conditions dated March 19, 2002, herein for your consideration.

Accordingly, please accept this letter as Sears, Roebuck, and Co.'s formal request for defense and indemnification in the above-referenced matter. Please advise the undersigned within the next fourteen (14) days of your response to this tender.

Very truly yours,



Heather E. Shea

HES/jlr
Enclosures

O'HAGAN LLC

Heather E. Shea
Direct No: 312-422-6165
Fax No: 312-422-6110
E-mail: hshea@ohaganlaw.com

July 3, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Electrolux Home Products, Inc.
18013 Cleveland Parkway, #100
Cleveland, OH 44135
Attn: Legal Department

Re: Chris Loiotile and Renata Loiotile a/s/o Memberselect Insurance Co.
v. Electrolux Home Products, Inc., et al;
Court No.: 1:13-cv-4097
Our File No.: 22819-HES

Dear Sir/Madam:

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Pursuant to the Supply Agreement dated June 29, 2004, and the Universal Terms and Conditions dated March 19, 2002, between Sears, Roebuck and Co., and Electrolux Home Products, Inc., these agreements provide that Electrolux Home Products, Inc., will defend and indemnify Sears for the alleged incident which is the subject of this litigation. Specifically, the Universal Terms and Conditions which was incorporated into the Supply and Vendor Agreement dated June 29, 2004, Paragraphs 11 and 12 provide as follows:

Electrolux Home Products, Inc.

July 3, 2013

Page 2

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Very truly yours,



Heather E. Shea

HES/jlr
Enclosures

O'HAGAN LLC

Heather E. Shea
Direct No: 312-422-6165
Fax No: 312-422-6110
E-mail: hshea@ohaganlaw.com

July 15, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Electrolux Home Products, Inc.
250 Bobby Jones Expressway
Augusta, GA 30907
Attn: Vice President, Sears Sales

Re: Chris Loiotile and Renata Loiotile a/s/o Memberselect Insurance Co.
v. Electrolux Home Products, Inc., et al;
Court No.: 1:13-cv-4097
Our File No.: 22819-HES

Dear Sir/Madam:

Please be advised that this law firm has been retained by Sears, Roebuck and Co. to defend it in the litigation titled, Chris Loiotile and Renata Loiotile a/s/o Memberselect Insurance Co. v. Electrolux Home Products, Inc.; and Sears Holding Corporation, case number 1:13-cv-4097, pending in United States District Court, Northern District of Illinois, Eastern Division. I am enclosing a copy of Plaintiff's Complaint with this correspondence for your reference. The suit arises out of a fire on March 24, 2010, allegedly involving a Kenmore brand gas clothes dryer, designed and manufactured by Electrolux Home Products, Inc.

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Electrolux Home Products, Inc.

July 3, 2013

Page 2

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(b) death or injury to any person, damage to any property, or any other damage or loss ... resulting or claimed to result in whole or in part from any actual or alleged defect in Merchandise ... (d) defect involving the packaging, tagging, labeling, packing, shipping and/or invoicing of Merchandise; (e) failure to warn or inadequate warnings and/or instructions; or (f) display, assembly or installation of Merchandise.

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Accordingly, please accept this letter as Sears, Roebuck, and Co.'s formal request for defense and indemnification in the above-referenced matter. Please advise the undersigned within the next fourteen (14) days of your response to this tender.

Very truly yours,



Heather E. Shea

HES/jlr
Enclosures

** INBOUND NOTIFICATION : FAX RECEIVED SUCCESSFULLY **

TIME RECEIVED	REMOTE CSID	DURATION	PAGES	STATUS
June 7, 2010 4:46:37 PM EDT	216 898 2337	29	1	Received
Jun. 7, 2010 4:45PM	ELECTROLJX		No. 9526	P. 1



ACKNOWLEDGEMENT OF RECEIPT

June 7, 2010

Fax: 866-876-7050

Sears/Kmart Incident Center
Sedgwick Claims Management Services, Inc.
P.O. Box 14448
Lexington, KY 40512-4448

Re: Claimant: Renata & Cristoforo Loiotile
 Claim Number: B018321572 / IL 5360374
 Date of Loss: 3/24/2010

Dear Ms. Nguyen:

We have received your information regarding the above claimant. We will be investigating this claim under a Reservation of Rights for late notice and possible cause relative to service by Sears. If we determine that any action by Sears or Sedgwick CMS has prejudiced our rights to thoroughly investigate, we will not accept your tender. In the event we should settle this claim, we will defend and indemnify Sears Holdings Corporation.

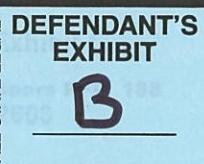
We appreciate your patience in this evaluation.

Sincerely,

Helen Haney
Claims Adjuster

20445 Emerald Parkway, S.W. Suite 250
P.O. Box 35920
Cleveland, OH 44135-0920
USA

www.electrolux.com
Fax: (216) 898-2337



From: Ed Buckles [mailto:ed.buckles@electrolux.com]
Sent: Tuesday, July 09, 2013 12:04 PM
To: Heather Shea
Cc: Timora Wilkerson
Subject: Loiotile et al v. Electrolux and Sears

Dear Ms. Shea:

I am in receipt of your letter of June 26, 2013 requesting that Electrolux Home Products, Inc. (Electrolux) defend and indemnify Sears, Roebuck and Co. (Sears) in the above captioned matter.

A review of the claim file and the complaint indicate that the Sears serviced this unit prior to the incident and that Sears installed the unit. Electrolux will defend and indemnify Sears for all the product specific allegations, however because of the service and installation issues Electrolux can not, at this time, accept the complete defense and indemnification of Sears.

As you are probably aware, it is Electrolux' position in similar litigation that installation is a direct cause of dryer failure. If Sears failed to install this unit properly in accord with Electrolux instructions, or if the service to the unit resulted in a problem, or if Sears during its service failed to identify improper installation by Sears or by others, these are all areas in which Sears must assume its own responsibility.

Should information develop that these are not valid concerns, Electrolux will reconsider its position.

Very truly yours

H. E. Buckles

Ed Buckles

14120 Patch Rd., Burton, OH 44021

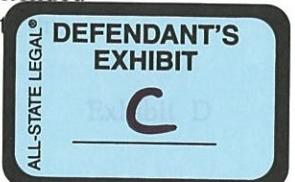
(440)725-3064 (Cell)

ed.buckles@electrolux.com (e-mail)

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Checked by AVG - www.avg.com

Version: 2014.0.4335 / Virus Database: 3705/7159 - Release Date: 03/06/14

From: Heather Shea
Sent: Tuesday, July 09, 2013 1:26 PM
To: Ed Buckles
Cc: Timora Wilkerson; Brianna Lake; Heather Shea
Subject: RE: Loitile et al v. Electrolux and Sears

Ed:

Thank you for your quick response.

Can you clarify for me if this tender, then, is being accepted with a reservation of rights as related to the service/installation issues addressed below such that separate counsel for Sears is necessary (as we have in the case of Regan v. Sears)? And if so, at whose cost is the separate counsel for Sears – Electrolux payment of those attorney's fees or Sears? Thanks.

Heather Shea

Heather E. Shea, Esq. | Partner
O'HAGAN LLC
One E. Wacker Drive, Suite 3400 | Chicago, IL 60601
DIR: 312.422.6165 | FAX: 312.422.6110
hshea@ohaganlaw.com
www.ohaganlaw.com

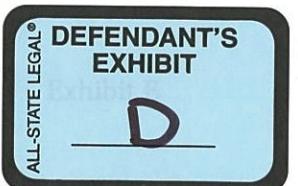
O'HAGAN LLC

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From: Ed Buckles [mailto:ed.buckles@electrolux.com]
Sent: Tuesday, July 09, 2013 12:04 PM
To: Heather Shea
Cc: Timora Wilkerson
Subject: Loitile et al v. Electrolux and Sears

Dear Ms. Shea:

I am in receipt of your letter of June 26, 2013 requesting that Electrolux Home Products, Inc. (Electrolux) defend and indemnify Sears, Roebuck and Co. (Sears) in the above captioned matter.



A review of the claim file and the complaint indicate that the Sears serviced this unit prior to the incident and that Sears installed the unit. Electrolux will defend and indemnify Sears for all the product specific allegations, however because of the service and installation issues Electrolux can not, at this time, accept the complete defense and indemnification of Sears.

As you are probably aware, it is Electrolux' position in similar litigation that installation is a direct cause of dryer failure. If Sears failed to install this unit properly in accord with Electrolux instructions, or if the service to the unit resulted in a problem, or if Sears during its service failed to identify improper installation by Sears or by others, these are all areas in which Sears must assume its own responsibility.

Should information develop that these are not valid concerns, Electrolux will reconsider its position.

Very truly yours

H. E. Buckles

Ed Buckles

14120 Patch Rd., Burton, OH 44021

(440)725-3064 (Cell)

ed.buckles@electrolux.com (e-mail)

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Checked by AVG - www.avg.com

Version: 2012.0.2242 / Virus Database: 3204/5976 - Release Date: 07/09/13

From: Heather Shea
Sent: Monday, August 05, 2013 6:42 PM
To: Ed Buckles
Cc: Timora Wilkerson; Brianna Lake; Heather Shea
Subject: RE: Loitile et al v. Electrolux and Sears

Importance: High

Ed –

In follow up to my email below of July 9, 2013, can you clarify Electrolux's position regarding the specifics of your response below? I need to advise Sears whether the tender has been accepted without condition, accepted with a reservation of rights, or rejected, and further, whether Electrolux will be paying Sears' counsel's attorneys' fees and costs or whether Sears will need to seek reimbursement of such fees and costs.

I look forward to hearing from you soon.

Heather Shea

Heather E. Shea, Esq. | Partner
O'HAGAN LLC
One E. Wacker Drive, Suite 3400 | Chicago, IL 60601
DIR: 312.422.6165 | FAX: 312.422.6110
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From: Heather Shea
Sent: Tuesday, July 09, 2013 1:26 PM
To: Ed Buckles
Cc: Timora Wilkerson; Brianna Lake; Heather Shea
Subject: RE: Loitile et al v. Electrolux and Sears

Ed:

Thank you for your quick response.

Can you clarify for me if this tender, then, is being accepted with a reservation of rights as related to the service/installation issues addressed below such that separate counsel for Sears is necessary (as we have in the case of Regan v. Sears)? And if so, at whose cost is the separate counsel for Sears – Electrolux payment of those attorney's fees or Sears? Thanks.

Heather Shea

Heather E. Shea, Esq. | Partner
O'HAGAN LLC
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Very truly yours

H. E. Buckles

Ed Buckles

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O'HAGAN LLC

Heather L. Keil
Direct No: 312-422-6143
Fax No: 312-422-6110
E-mail: hkeil@ohaganlaw.com

March 7, 2014

VIA CERTIFIED MAIL AND EMAIL (ed.buckles@electrolux.com)

Howard E. Buckles

Electrolux

14120 Patch Rd.

Burton, OH 44021

RE: *Memberselect Insurance Co. a/s/o Chris and Renata Loiotile v. Electrolux Home Products, Inc., et al*
Court No.: 1:13-cv-4097
Our File No.: 22819-HES

Counsel –

In light of the email correspondence from Ed Buckles of Electrolux dated July 9, 2013 (attached), it is our understanding that our firm, O'Hagan, LLC, will continue to represent and defend Sears' interests in this case due to the potential conflict of interest in having the same counsel defend both Sears and Electrolux. It is our further understanding that our firm will be submitting its legal bills for payment to Electrolux in accordance with the tender acceptance.

Should this be inaccurate in any way, please advise in writing immediately.

Best regards,



Heather L. Keil

Cc: Brian Hunt/Matthew Ennis via email (bhunt@hunt-lawgroup.com, mennis@hunt-lawgroup.com)

From: Ed Buckles
To: Heather Keil
Cc: bhunt@hunt-lawgroup.com; Brianna Lake; Heather Shea; mennis@hunt-lawgroup.com
Subject: Re: Memberselect Insurance Co. a/s/o Chris and Renata Loiotile v. Electrolux Home Products, Inc., et al (22819)
Date: Friday, March 07, 2014 8:57:10 AM
Attachments: ATT0001.png
22819 letter to ed buckles and elux counsel 03.07.14.pdf

Ms. Keil -

You have clearly misunderstood my intention. Electrolux has no responsibility to defend Sears or to pay Sears' counsel for any allegations related to Sears' or Sears' subcontractor's installation of the equipment in this matter.

In fact, it will be our position, without making direct reference to Sears or its contractor, that this accident is wholly the responsibility of the poor installation of the equipment.

To the degree that Sears is included in allegations of the design, manufacture or sale of the dryer itself, Electrolux and its counsel will defend and hold Sears harmless. However, pursuant to the sales agreement and the certificate of insurance between Sears and Electrolux, Sears' independent liability is Sears' own responsibility.

Ed

Ed Buckles
14120 Patch Rd., Burton, OH 44021

(440)725-3064(Cell)

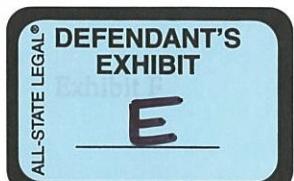
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From: Heather Keil <HKell@ohaganlaw.com>
To: "ed.buckles@electrolux.com" <ed.buckles@electrolux.com>, "bhunt@hunt-lawgroup.com" <bhunt@hunt-lawgroup.com>, "mennis@hunt-lawgroup.com" <mennis@hunt-lawgroup.com>
Cc: Brianna Lake <BLake@ohaganlaw.com>, Heather Shea <HShea@ohaganlaw.com>
Date: 03/06/2014 06:08 PM
Subject: Memberselect Insurance Co. a/s/o Chris and Renata Loiotile v. Electrolux Home Products, Inc., et al (22819)

Counsel -

In light of the email correspondence from Ed Buckles of Electrolux dated July 9, 2013 (attached), it is our understanding that our firm, O'Hagan, LLC, will continue to represent and defend Sears' interests in this case due to the potential conflict of interest in having the same counsel defend both Sears and Electrolux. It is our further understanding that our firm will be submitting its legal bills for payment to Electrolux in accordance with the tender acceptance.



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Best regards,
Heather L. Keil

Heather L. Keil
One East Wacker Drive
Suite 3400
[redacted] Chicago, Illinois 60601
Phone: 312.422.6143
Fax: 312.422.6110
hkeil@ohaganlaw.com

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----- Message from Heather Shea <HShea@ohaganlaw.com> on Thu, 6 Mar 2014 22:19:04 +0000 -----

To: Heather Keil <HKeil@ohaganlaw.com>
Subject: FW: Loitile et al v. Electrolux and Sears

From: Ed Buckles [<mailto:ed.buckles@electrolux.com>]
Sent: Tuesday, July 09, 2013 12:04 PM
To: Heather Shea
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Version: 2014.0.4335 / Virus Database: 3705/7159 - Release Date: 03/06/14

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Version: 2014.0.4335 / Virus Database: 3722/7161 - Release Date: 03/06/14